



How to Succeed?

This is a question many of you will be asking in the ongoing unprecedented economic conditions...

Tarnside Consulting's recent experience indicates that the answer lies in being 'agile'.

Setting the Scene

It is generally accepted that a 'recession' will mean that people and organisations will have less money to give, and when they do give, they will be more careful about how they give it.

The reality of the current recession has been researched with some very sobering findings:

PricewaterhouseCoopers LLP (PwC), the Charity Finance Directors' Group (CFDG) and the Institute of Fundraising (IoF) first showed in November 2008 (1) that there was an expectation that income from Corporates and Trusts would decrease by 71% and from Legacies by 41%.

Their follow up research in May 2009 (2) showed that more charities are now feeling the effects of the recession, and that 56% of charities expect a downturn in their income going forward. The anticipated lag between the recession and the effect on charities was confirmed and it was expected that charities would continue to face challenges well into 2010 and beyond.

Further, in January 2009 a Charities Aid Foundation (CAF) survey (3) showed that 41% of charities were already operating on less income than they had budgeted for, and over 60% had used their reserves to meet their shortfall.

CASE STUDY...

Agility Equals Success

Tarnside has been working with the Lake District Calvert Trust (LDCT), a wonderful charity that helps disabled people participate in adventurous outdoor activities, to develop a £3.4 million capital project and set up and run the fundraising appeal to support it. The initial fundraising strategy was to focus efforts on charitable trusts through which LDCT has historically had success in raising funds.

Some 6 months into the active appeal, the current recession 'hit'. By this time a team of appeal champions had already been 'recruited' and through them the appeal was already having detailed discussion with, or application to, a number of key trusts. Some of these trusts had even indicated that they would be able to provide the sizeable 'springboard' funds that are essential for a successful appeal.

However, with the onset of the recession, we very quickly saw a significant (up to 70%) reduction in the size of anticipated donations. Even previously pledged amounts of money were significantly reduced. The impact that this had on the fundraising appeal was immediately acknowledged; as were the implications it would have on

(1) www.pwc.co.uk/eng/publications/charity_news_november_2008.html
(2) www.pwc.co.uk/eng/publications/charity_news_may_2009.html
www.institute-of-fundraising.org.uk
(3) www.cafonline.org

timescales for the project implementation and delivery. Something needed to change – and to change quickly...

The first step Tarnside took was a rapid reappraisal of the potential sources and levels of funds available to Calvert Trust. The statutory sector had never previously been explored - so Tarnside undertook in depth research and identified some very promising opportunities.

The next step was to use Tarnside's proven networking process to help LDCT identify and build personal networks through which they might approach these sources. This is a painstaking process that requires diplomacy, tenacity and unerring enthusiasm in order to bear fruit – but when it does, the 'fruit' is far more rewarding than that usually achieved through more direct methods.

Initial approaches were met with enthusiasm and encouragement and, once activated, gave rise to the beginnings of meaningful discussions.

These discussions initially led to the rapid and in-depth development of the project's outputs to produce performance indicators that would suit this new audience. [While charitable trusts like to see that a project is helping them meet their objectives for beneficiaries, the regional and local statutory sectors are very focused on how a project will also bring economic benefits to the area.] Tarnside supported a re-evaluation of the project, which led to changes in scope and emphasis/focus that, with a minimal increase in cost, would enable:

- Improvements in the economic outputs that would be secured both in terms of local employment and income;
- Increases in the number of direct and indirect beneficiaries (by increasing capacity at LDCT's centre in Keswick and providing training and support to the other 1,000 outdoor activity centres across the UK); and
- Enhancements to the benefits that visitors would achieve.



The additional benefit of all this hard work has been the realisation that, through the successful implementation of the re-scoped project, the long-term sustainability of the LDCT will be secured.

Some 9 months later, Tarnside and LDCT are in advanced talks with the Northwest Regional Development Agency, Cumbria Vision and the region's nuclear industry, as well as areas of Sport England and Big Lottery funding, about some potentially very large funding streams.

Both Tarnside and LDCT are proud to have achieved so much both simultaneously and in such a short time period. It is now felt that, despite the ongoing challenging economic conditions, the appeal is set up for success and the project will be able to take place in a more timely fashion than, with less agility, would have been the case.

Back to Basics

This experience should remind us all that, whilst when times were good it was perhaps possible to take short cuts, save money and still be reasonably confident in securing the funds needed, now is the time to get back to basics. At Tarnside we have done just that to ensure that we miss nothing and harness every opportunity.

You might like to do the same. We have tried to help by summarising the areas that you might want to consider. These include some of the basic principles of fundraising that shouldn't be forgotten. We hope it will help you remain agile through these challenging times.



PRINCIPLES OF FUNDRAISING

We hope this summary might help you consider all angles of your project and fundraising appeal in the light of the current recession.

1. Take control

It is important not to bury your head in the sand. How robust is your fundraising appeal and what steps need to be taken to prepare for potential challenges?

- Do not rely on past business plans or strategies to carry your appeal forward.
- Be prepared to think carefully about the needs of both your organisation and your appeal.
- Be ready to tailor fundraising strategies to suit your appeal's current and/or ongoing circumstances.

2. Step back and really think about your cause

The amount of money available to charities has decreased and the level of competition therefore continues to rise – how robust are your plans?

Revisit your appeal's Case for Support (CfS) - make sure that it is as strong as it could be:

- An effective CfS should highlight the strengths and impact of your organisation and project - it should motivate a prospective donor to support your cause.
- Ideally a CfS should be prepared at the start of a project so, if this process hasn't been thoroughly thought through within your organisation, be prepared to do so now.
- Look closely at your project's fundraising appeal - take the time to really research and evidence your cause and appeal.
- Think about your project's 'Unique Selling Points' and why a donor should support it.
- Good groundwork really will pay off in the long term.

3. Set realistic budgets and forecasts

The current unstable fundraising climate clearly highlights the need to be realistic when setting budgets and fundraising targets:

- Take a good look at your budget and decide whether there are areas that could be streamlined.
- Review the length of your appeal, taking into account increased fundraising time and costs.
- Review budgets regularly and reforecast when necessary.
- Manage fundraising costs carefully.
- Be up-front and honest about how your appeal is progressing.
- Keep all key stakeholders abreast of potential gaps in income well in advance to enable collective corrective action to be taken in a timely and positive manner.

4. Be prepared to adapt your fundraising strategy

Establishing a robust Case for Support allows your organisation to be more flexible with its fundraising strategy. Traditionally, many fundraising appeals have relied heavily on one source of income to achieve targets, usually trusts and foundations. Fundraising departments are also often dependent on a small number of specific funding areas. Now times are different:

- Analyse your project and appeal and plan to target a diverse selection of relevant funding streams.
- Revisit your fundraising strategy regularly.



- Be prepared and ready to make adaptations – or even change direction - if necessary.
- Stay aware of the impact of the recession on sources of funds – a school of thought holds that government funding is likely to be vastly reduced in 3 years time as the time-lagged impact of the downturn bites even harder.
- During these uncertain times regular reviews, assessment of risk and constant communication within your appeal management team (and key stakeholders), will enable the appeal to adapt and respond confidently to alternative fundraising prospects.
- Don't stop fundraising or abandon relationships that have been initiated - cement your cause and give future donors the confidence to give to your appeal.

5. Think about your donors

Make sure that there is a proper donor management programme in place for all donors, including trusts and foundations. Existing relationships are the key to sustaining future income. Work hard to maintain these partnerships:

- Ensure that all reports and communications are submitted on time.
- Always portray your cause in a good light.
- And last but by no means least, remember to say THANK YOU!



NEWS AT TARNSIDE

We have now moved into our new eco-office and are thoroughly enjoying the space and ambience it provides. We would be delighted to show you our new 'home' if you would like to hold a meeting with us and/or if you are passing. Tea and cake will be provided!

We also now have the support of two new associates - Fiona Colley and Amy Blake. Both have worked at a Senior level in the third sector and bring some very useful skills to the Tarnside team – including community, lottery and statutory fundraising, marketing and an in depth knowledge of the benefit of using databases effectively. You can read more about their experience on our website at www.tarnside.co.uk/people.php.

Last but not least, you may have noticed that we have launched a new website and made some updates to our branding: www.tarnside.co.uk. Have a look – if you have any comments or thoughts about either development, we would be delighted to hear them.

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